

September 17, 2025



Executive Committee of the Board of Directors of
Cure CMD
Lakewood, CA

We have audited the financial statements of Cure CMD for the year ended December 31, 2024, and we will issue our report thereon dated September 17, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 6, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Cure CMD are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was (were):

Management's estimate of expense allocations to functional areas (program, management and general and fundraising) is based on a percentage of time allocated to each functional area. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no audit adjustments.

Disagreements with Management

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For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of this letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Audit Communication

In planning and performing our audit of the financial statements of Cure CMD as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Cure CMD's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cure CMD's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cure CMD's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Cure CMD's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This information is intended solely for the use of Cure CMD and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,





AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024



Independent Auditor's Report

The Board of Directors
Cure CMD
Lakewood, CA

Opinion

We have audited the accompanying financial statements of Cure CMD, which comprise the statements of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cure CMD as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cure CMD and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cure CMD's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cure CMD's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cure CMD's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the 2023 financial statements of Cure CMD, and our report dated January 30, 2025, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the 2023 audited financial statements from which it has been derived.



Bethesda, Maryland
September 17, 2025

Certified Public Accountants

Cure CMD

**Statements of Financial Position
December 31, 2024
With Comparative Totals As of December 31, 2023**

Assets

	2024	2023
Cash and Cash Equivalents	\$ 508,508	\$ 546,128
Total Assets	\$ 508,508	\$ 546,128

Liabilities and Net Assets

Liabilities

Accounts Payable and Accrued Expenses	\$ 28,793	\$ 30,444
Grants Payable	5,000	275,750
Total Liabilities	33,793	306,194

Net Assets

Without Donor Restrictions	260,374	200,299
With Donor Restrictions	214,341	39,635
Total Net Assets	474,715	239,934
Total Liabilities and Net Assets	\$ 508,508	\$ 546,128

See Accompanying Notes to Financial Statements

Cure CMD

**Statement of Activities
For the Year Ended December 31, 2024
With Comparative Totals For the Year Ended December 31, 2023**

	2024			2023
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Support and Revenues				
Grants and Contributions	\$ 188,115	\$ 482,476	\$ 670,591	\$ 559,923
Investment Income (Loss) - Net	6,643	-	6,643	19,407
Net Assets Released From Restrictions	<u>307,770</u>	<u>(307,770)</u>	<u>-</u>	<u>-</u>
Total Support and Revenues	<u>502,528</u>	<u>174,706</u>	<u>677,234</u>	<u>579,330</u>
Expenses				
Program Services	298,770	-	298,770	410,906
Supporting Services				
General and Administrative	90,888	-	90,888	107,604
Fundraising	<u>52,795</u>	<u>-</u>	<u>52,795</u>	<u>92,812</u>
Total Supporting Services	<u>143,683</u>	<u>-</u>	<u>143,683</u>	<u>200,416</u>
Total Expenses	<u>442,453</u>	<u>-</u>	<u>442,453</u>	<u>611,322</u>
Changes in Net Assets	60,075	174,706	234,781	(31,992)
Net Assets, Beginning of Period	<u>200,299</u>	<u>39,635</u>	<u>239,934</u>	<u>271,926</u>
Net Assets, End of Period	<u>\$ 260,374</u>	<u>\$ 214,341</u>	<u>\$ 474,715</u>	<u>\$ 239,934</u>

See Accompanying Notes to Financial Statements

Cure CMD

Statement of Functional Expenses For the Year Ended December 31, 2024 With Comparative Totals For the Year Ended December 31, 2023

	2024				2023
	Program Services	General and Administrative	Fundraising	Total	Total
Personnel Costs	\$ 210,979	\$ 37,889	\$ 35,166	\$ 284,034	\$ 391,550
Professional Services	38,721	29,779	2,500	71,000	65,598
Awards and Grants	17,500	-	-	17,500	101,074
Travel	10,605	-	-	10,605	8,407
Conferences and Meetings	-	-	-	-	465
Office	-	3,952	-	3,952	15,088
Insurance	-	2,621	-	2,621	4,271
Dues and Software	-	5,478	-	5,478	12,867
Advertising and Promotion	-	-	-	-	60
Other	20,965	11,169	15,129	47,263	11,942
Total Expenses	\$ 298,770	\$ 90,888	\$ 52,795	\$ 442,453	\$ 611,322

See Accompanying Notes to Financial Statements

Cure CMD
Statements of Cash Flows
For the Year Ended December 31, 2024
With Comparative Totals For the Year Ended December 31, 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 234,781	\$ (31,992)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	(1,651)	(591)
Grants Payable	<u>(270,750)</u>	<u>(270,250)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(37,620)</u>	<u>(302,833)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(37,620)	(302,833)
Cash and Cash Equivalents, Beginning of Period	<u>546,128</u>	<u>848,961</u>
Cash and Cash Equivalents, End of Period	<u>\$ 508,508</u>	<u>\$ 546,128</u>

See Accompanying Notes to Financial Statements

Cure CMD

Notes to Financial Statements December 31, 2024

1. ORGANIZATION AND PURPOSE

Cure CMD is a 501(c)(3) nonprofit organization founded to advance research toward treatments for the congenital muscular dystrophies (CMD) and empower those living with CMD through engagement and support of our community. Cure CMD is funded primarily by grants and contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of Cure CMD have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires Cure CMD to report information regarding its financial position and activities in accordance with the accrual basis of accounting and the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Cure CMD. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Cure CMD or by the passage of time.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction is met, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cure CMD considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Cure CMD

Notes to Financial Statements December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Grants and contributions, including unconditional promises to give, are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, the categories of expenses that are attributable to more than one program or supporting function have been allocated among the programs and supporting services based on time and effort.

Income Tax Status

Cure CMD is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code.

Cure CMD follows the Financial Accounting Standards Board Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in Cure CMD's financial statements, if any. As of December 31, 2024, Cure CMD had no unrecognized tax benefits related to uncertain tax positions in its information return that would qualify for either recognition or disclosure in its financial statements.

Cure CMD's policy would be to recognize interest and penalties on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. Through December 31, 2024, there have been no matters that would have resulted in an accrual for interest and/or penalties.

Generally, the tax years before 2021 are no longer subject to examination by federal, state, or local taxing authorities.

Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Cure CMD's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Cure CMD

Notes to Financial Statements December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

Management has evaluated subsequent events through September 17, 2025, the date which the financial statements were available to be issued.

3. CONCENTRATION OF CREDIT RISK

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. As of December 31, 2024, Cure CMD's bank balances did not exceed the FDIC limit.

4. NET ASSETS

Net assets with donor restrictions as of and for the year ended were December 31, 2024 were as follows:

	2023	Contributions	Releases	2024
Purpose:				
Research	\$ 36,135	\$ 467,476	\$ (292,770)	\$ 210,841
Advocacy	3,500	15,000	(15,000)	3,500
Total	<u>\$ 39,635</u>	<u>\$ 482,476</u>	<u>\$ (307,770)</u>	<u>\$ 214,341</u>

Net assets without donor restrictions as of December 31, 2024 were undesignated.

Cure CMD

Notes to Financial Statements December 31, 2024

5. LIQUIDITY AND AVAILABILITY

The following represents Cure CMD's financial assets at December 31, 2024:

Financial Assets at Year End:

Cash and Cash Equivalents	\$ 508,508
Total Financial Assets	508,508

Less: Restricted Amounts Not Available To Be Used Within One Year:

Donor-Restricted	(214,341)
Donor-Restricted To Be Used in Next Twelve Months	214,341
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Financial Assets Available to Meet General Expenditures

Over the Next Twelve Months	\$ 508,508
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As part of Cure CMD's liquidity management plan, cash in excess of daily requirements is transferred to income-generating accounts, when practical.